

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NORTH DAKOTA**

In re:

**Bourbon Street LLC,
dba La Cantina,**

**Bankruptcy No. 23-30246
Chapter 11- Subchapter V**

Debtor

**Petri Enterprises, LLC,
dba La Cantina,
dba Heros and Legends Sports Bar,
dba Heros and Legends,**

**Bankruptcy No. 23-30247
Chapter 11 – Subchapter V**

Debtor

**Gannet Peak, LLC,
dba La Cantina,**

**Bankruptcy No. 23-30248
Chapter 11 – Subchapter V**

Debtor

**ACTING US TRUSTEE OBJECTIONS TO SUBCHAPTER V PLAN
OF PETRI ENTERPRISES, LLC**

The Acting United States Trustee (UST) objects Petri Enterprises, LLC Subchapter V Plan of Reorganization (Petri Plan”) (Doc. No. 108) In support of her objections, she states the following:

1. The UST has standing to object under 28 U.S.C. § 586 and 11 U.S.C. § 307.
2. The UST has a pending Motion to Dismiss Petri Enterprises and the related entities. Upon information and belief, the remaining deficiency for Petri is to provide proof of worker’s compensation insurance. Upon discussions with Debtor’s counsel, the Debtor Bourbon Street, LLC has ceased operating and will consent to conversion of the Bourbon

case to chapter 7. Therefore, the UST's motion will remain pending, but at this time, the only remaining issue with Petri is the missing proof of insurance.

3. The UST's objections to the Petri Plan are the following.

Article 3

4. 3.02: The Plan should add the following sentence: If the plan is confirmed as non-consensual and the Subchapter V Trustee makes the plan distributions, the Subchapter V Trustee shall continue to apply for all fees in accordance with Sections 330 and 331.

5. 3.02: The Plan should estimate the dollar amount of outstanding administrative expenses. Show payments on projections.

Article 4

6. Class 3 (252,703) The projections list that the monthly rent payment is \$1,850. The motion to approve the lease (Doc. 82) lists the monthly payment as \$1,100. It is not clear why there is a discrepancy in the figures.

7. Class 4 (77,497.71 – to be paid \$35,173.92). The Plan does not state the monthly payment amount in the body, and the projections only list the Class 1 plan payments of \$750.

8. Related to paragraph 7, the Plan is silent on the duration of the plan payments. The introduction states that payments will total \$35,173.92 and the projections go 72 months (December 2029). 72 months of payments will be \$488.53. However, it is not clear if a five year (60 month plan) was intended (see Gannett Plan). Sixty monthly payments will total \$586.32 per month.

Article 6

9. 6.01: Plan should list the specific leases to be assumed. Voters (or lease holders) will not have access to CM/ECF to view Schedule G unless they hire counsel.

Article 7

10. Last paragraph: The Plan should change all references from "disbursing agent" to Subchapter V Trustee.

11. The UST suggests that the Debtor work with the Subchapter V Trustee to set a firm schedule for the Subchapter V trustee to make distributions, such as monthly, quarterly, etc ahead of time. Subchapter V trustee, as fiduciary, should have a specific schedule of payments to rely upon. Creditors also should know the payments dates up front. If the Debtor fails to make the payments, the Subchapter V Trustee and creditors need to Plan to be specific enough so they can enforce whatever relief as may be appropriate.

Article 8

12. Section 8.06: Last sentence, the Plan should change all references of “disbursing agent” to subchapter V trustee. The UST cannot appoint a disbursing agent, only a Subchapter V Trustee.

Article 9

13. The Plan should insert discharge language in the Plan. Voters do not know what the Bankruptcy Code means without consulting counsel.

Example

Discharge. The Court shall grant the Debtor a discharge pursuant to 11 USC § 1192 of all debts that arose prior to the Petition Date in this case, except any debtor (1) on which the last payment is due after the first five (5) years of the Plan; and (2) debts of the kind specified in Section 523(a) of the Bankruptcy Code.

Discharge all occur –

- a. If the Plan is confirmed under 11 USC 1191 a consensual plan, the Debtor shall receive a discharge on the effective date of the Plan; or
 - b. If the Plan is confirmed under 11 USC 1191(b), the Court shall grant a discharge upon the completion of the plan payments to Class 4.
14. The UST has shared these comments with the Debtor via email dated November

16, 2023, and the UST expects that several of these issues will be resolved prior to the hearing.

WHEREFORE, the UST requests that the Court grant her objections herein and such other relief as appropriate.

Dated: November 28, 2023

MARY R. JENSEN
Acting U.S. Trustee Region 12

/s/ Sarah J. Wencil
Sarah J. Wencil
Trial Attorney
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UNSWORN CERTIFICATE OF SERVICE

The undersigned declares under penalty of perjury that on November 28, 2023, I caused to filed electronically the following: Objection, thereby generating service by CM/ECF.

Executed on: November 28, 2023

**/s/ Sarah J. Wencil
Sarah J. Wencil
Office of the United States Trustee**